

CENTRAL INTELLIGENCE AGENCY

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Enclosure 8

New York, 25 March 1949

My dear General:

I have your letter of 22 March. Immediately upon receiving it I took the matter up with the company and I give you below the results of my talk.

With respect to the capacity of the apparatus and other details relating to them, I am enclosing a memorandum written in English by Capt. K. M. Oliver in which you will find all possible information in regard to the capacity and operation of the apparatus.

Capt. K. M. Oliver is a pilot employed by the Texas Oil Company who has been flying one of those amphibious airplanes in Colombia and Venezuela. I don't think I can give you any better information about the operation of those apparatus than is provided in the enclosed memorandum.

In a general way I can tell you that I saw these amphibious planes in operation while I was in the Navy and they gave magnificent performances because of their long flight range. They have a maximum capacity of 10,000 lbs. of cargo and naturally the amount of cargo depends upon the amount of fuel in the tanks. They have the same cargo capacity as the C-47's or the 21-passenger Douglasses used by Pan American Airways.

Their principal characteristic, of course, is the fact that they can operate as easily on water as on land.

About delivery, the company promised to deliver the planes in Tijuana or Mexicali (Mexican territory). Payment will be upon receipt and only upon receipt. The company requires that a credit in their name be opened in a New York bank and that the letter of credit stipulate that the money will be paid only when the owners or their representatives in Tijuana or Mexicali have received the planes.

The company asks for each plane, including expenses of delivery in Tijuana or Mexicali, the sum of \$24,500. (Twenty four thousand five hundred dollars for each one). This sum includes not only the value of the plane but the expenses for pilot, gasoline, insurance, the return of the pilot, and the other delivery expenses. Moreover, once the company has delivered the planes in Mexican territory and after receiving the money, they tell me that they are disposed to make a contract with the purchasers to take the planes on from Mexican territory to their destination. The company will obtain all necessary documentation, export license, etc.

The company tells me that in order to obtain the export license and other documents you have to give them all information about the purchaser, that is, that he is a person who is going to use them for commercial transport. You already know all this, so that in order that everything goes well, it would be suitable, in case you decide to do it, for the purchaser to be an aviation company established in those countries for in that way the license could be obtained with no contretemps. It would be magnificent to get a local aviation company, engaged in air transportation, to agree to appear as the purchaser. Perhaps they would do it if they were given some commission just for appearing to be the purchasers. However, the matter of who should appear as buyer is something to be discussed after it is decided to make the purchase.

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CENTRAL INTELLIGENCE AGENCY

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Enclosure B

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The company has several of these planes, Navy surplus, and, as they say, to be able to fly them to Mexico they will have to be repaired and put into good flying condition. Besides, they say, they have to obtain permission to fly them from the Transportation Department and that, consequently, the planes have to be in good condition or they can't get the permit.

The company suggests that, in case you decide to buy them, you send an expert aviation mechanic from there to choose the two planes that he thinks best from among the lot. Once that expert mechanic chooses them, then the company will fix them and prepare for the trip. In other words, the company will fix and prepare for flight those planes which the expert sent by you thinks are in best condition. When some one orders one or several planes from this company then they take them out of the lot that they have for sale and afterwards prepare them for flying. They call this preparation, "Service the Plane for Ferry."

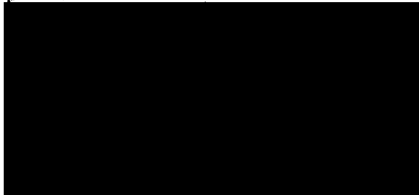
The company also suggests that if they have no expert to send that you then pay somebody here to select the plane or planes that you want to buy.

If you decide to buy them you will have to send your pilots to Mexicali or Tijuana to receive them or make a contract with the company to take them on from Mexican territory to the place which you want in Guatemala or another country.

What the company does want is to receive their money upon delivering them in Mexico, and if you desire, they themselves will contract for their delivery to some other place.

Well, general, I think that with that information you can consider the possibility of purchasing the planes. I am glad that you are considering doing so, for I see great possibilities in it. If all the plans which you have in preparation are put into effect, don't fail to notify me for I would like to take part.

Write me as follows:



P.S. I am enclosing a photograph of one of those planes which the Argentine Navy bought from this same company.

Please let me know as soon as you get this letter."

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